

# ALERT

## BENEFIT LEGISLATION

Volume IV, Number 1

### ***Legislative Provisions Affecting CalSTRS Benefits as of March 5, 2004***

Each year, legislation is introduced that would, if enacted, improve benefits paid to some CalSTRS members who retire in the future. If you are considering retiring soon, you might be interested to know what bills of this type have been introduced thus far in the 2003-2004 Legislative Session. These bills are summarized below to assist you in your retirement planning. Since all legislative proposals are subject to change during the legislative year, please see the box below for informational resources to help you stay current on the latest benefit provisions.

#### ***Benefit Legislation Alert***

summarizes only the benefit-increasing provisions that apply to CalSTRS members retiring in the future.

Generally, when legislation becomes law, unless the bill states otherwise, the benefits become effective on the next January 1 and apply to members who retire on or after the bill's effective date. If passed, the bills summarized in this *Alert* will become effective on January 1, 2005, unless otherwise indicated.

While CalSTRS makes every effort to keep its members informed about changes in its benefit structure, it cannot safely predict what the Legislature and Governor may do that might be of interest to you.

For this reason, you should stay informed about possible benefit changes by consulting the CalSTRS Web site ([www.calstrs.com](http://www.calstrs.com)), CalSTRS Member Services (800-228-5453), CalSTRS benefit counselors, your union representative (if applicable), your legislative representative and any other source that you believe would be helpful before you make any final decision about retirement.

You are ultimately responsible for any decision you make in regards to your CalSTRS benefit.

#### **Recently Introduced Legislation**

##### **AB 1852 (Mullin)**

Allows earnings from three non-consecutive years to be used to calculate final compensation; permits a member who is at least 50 years of age to retire if he or she has at least 25 years of credited service; permits the longevity bonus to be paid as a lump sum for those members who retire before age 60.

##### **AB 2036 (La Suer)**

Allows community college instructors who retire concurrently from the Defined Benefit Program and the California Public Employees' Retirement System to use service credit in both systems to qualify for CalSTRS benefit enhancements, subject to certain limitations.

##### **AB 2232 (PER&SS)**

Changes the calculation used to determine the amount of service credit granted for unused sick leave by tying it to the member's full-time equivalent; this primarily affects part-time and adult education instructors in community colleges.

##### **AB 2554 (Pavley)**

Eliminates the post-retirement earnings limitation for retired members employed in a community college, school district or county office of education.

##### **AB 2753 (Corbett)**

Prohibits administrators who retire with a CalSTRS Retirement Incentive Program benefit from receiving an exemption to the earnings limit for up to five years after their retirement date.

#### **Legislation Continuing from 2003**

##### **SB 102 (Burton)**

Allows up to two-tenths of one year of unused sick leave to count towards qualifying for one-year final compensation, longevity bonus and other benefit enhancements